

## Message Text

CONFIDENTIAL

PAGE 01 LIMA 02686 030156Z

60

ACTION EB-03

INFO OCT-01 ARA-06 ISO-00 L-01 INR-07 SP-02 SSO-00 INRE-00

SS-14 /034 W

----- 074957

O 022255Z APR 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 4575

C O N F I D E N T I A L LIMA 2686

STADIS////////////////////

LIMDIS

E.O. 11652: GDS

TAGS: EAIR, PE

SUBJECT: CIVAIR - DISPUTE WITH PERU - BRANIFF/AEROPERU  
NEGOTIATIONS

REF: LIMA 2553

1. AIRLINE TO AIRLINE TALKS GOT UNDERWAY MORNING OF  
APRIL 2. BRANIFF TEAM HEADED BY THAYER AND SOUTH, AEROPERU  
TEAM HEADED BY SOTO AND GULMAN, WITH OBSERVERS FROM FOREIGN  
MINISTRY (SOLARI) AND THE EMBASSY. MEETING TOOK PLACE IN HOTEL  
CRILLON AND ATMOSPHERE WAS POLITE AND BUSINESSLIKE.

2. SOUTH BEGAN BY NOTING THAT TRAFFIC CARRIED BY BOTH  
AIRLINES AS WELL AS PERUVIAN TOURISM HAD BEEN INJURED  
BY TWO MONTHS OF UNCERTAINTY CAUSED BY DISPUTE. ESSENTIAL  
TO SOLVE PROBLEM. HE THEN MENTIONED ARCE'S MEETING WITH  
LAWRENCE WHICH HE SAID HAD, INTER ALIA, PERUSADED  
BRANIFF THAT TIME MIGHT BE PROPITIOUS FOR RESUMING  
TALKS. SOTO RESPONDED THAT AEROPERU WAS PRESENT  
BECAUSE FOREIGN MINISTER HAD ASKED THEM TO RENEW  
NEGOTIATIONS. AEROPERU ACCORDING SOTO HAD DEMONSTRATED FLEXIBILITY  
BY MAKING FOUR PROPOSALS, ALL OF WHICH WERE REJECTED.  
IN FACT, WITH RESPECT TO FEBRUARY 17 PROPOSAL, GOP  
OFFICIALS TO WHOM HE REPORTS SAID HE HAD EXCEEDED HIS  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LIMA 02686 030156Z

AUTHORITY. SOUTH SAID HE THOUGHT THAT RATHER THAN

COVERING OLD GROUND THE BEST WAY TO PROCEED WOULD BE FROM BRANIFF TO TABLE WHAT IT WANTED, USING AS STARTING POINT FREQUENCIES SPECIFIED IN AEROPERU'S OFFERS OF FEBRUARY 10 AND 17. GULMAN REFERRED TO SOTO'S STATEMENT AND REPEATED THAT FEBRUARY 17 PROPOSAL HAD BEEN SPECIFICALLY "DISAUTHORIZED" BY DGTA BERCKEMEYER. SOUTH ACCORDINGLY BASED PRESENTATION ON FEBRUARY 10 PROPOSAL.

3. SOUTH THEN MADE THE FOLLOWING PRESENTATION:  
SOUTH OF LIMA, BRANIFF WISHES TO FLY FIVE TIMES PER WEEK TO SANTIAGO, LA PAZ AND RIO/SAO PAULO, AND SIX TIMES PER WEEK TO BUENOS AIRES. NORTH OF LIMA, BRANIFF WANTS LIMA-QUITO TWO, QUITO-LIMA ONE, CALI TWO, BOGOTA TWO, LIMA-PANAMA SIX, PANAMA-LIMA EIGHT, GUAYAQUIL FOUR, MIAMI-LIMA NINE, LIMA-MIAMI TEN, WASHINGTON-LIMA THREE, LIMA-WASHINGTON TWO, NEW YORK-LIMA NINE, LIMA-NEW YORK TEN, AND LOS ANGELES-SANFRANCISCO FOUR. SOUTH SAID BRANIFF PREFERRED TO OPERATE ALL FLIGHTS WITHOUT QUOTAS, BUT IF QUOTAS WERE TO BE CONSIDERED, STOPOVER TRAFFIC SHOULD NOT BE INCLUDED WITHIN SUCH LIMITS. AEROPERU DEMURRED, BUT WHEN DEL SOLAR SAID THIS PROPOSITION HAD BEEN SPECIFICALLY ACCEPTED BY DGTA BERCKEMEYER DURING "INFORMAL" DISCUSSIONS, AEROPERU SAID THEY WOULD CHECK.

5. SOUTH THEN POINTED OUT THAT HIS PROPOSAL WAS CLOSE TO AEROPERU'S PROPOSAL AND, IN FACT, REPRESENTED NOT ONLY A REDUCTION IN FREQUENCIES TO CERTAIN DESTINATIONS, BUT ALSO A REDUCTION IN TOTAL FREQUENCIES FROM 34 TO 32 (I.E., 14 SOUTH OF LIMA AND 18 NORTH). SOUTH ADDED THAT BRANIFF WANTS A THREE-YEAR OPERATING PERMIT FOR PURPOSES OF STABILITY AND PLANNING AND FURTHER WANTS SOME PROVISION FOR POSSIBLE FUTURE EXPANSION OF SERVICES TO MEET GROWING REQUIREMENTS. SOUTH ALSO TOLD AEROPERU THAT BRANIFF IS WILLING TO INCLUDE IT IN BRANIFF'S COMPUTERIZED RESERVATION SYSTEM. SOTO ASKED FOR TIME TO CONSIDER BRANIFF'S PROPOSAL, AND IT WAS AGREED TO MEET AGAIN THE FOLLOWING MORNING. IN POST-MORTEM FOLLOWING SESSION, SOUTH COMMENTED THAT CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LIMA 02686 030156Z

IN HIS VIEW AEROPERU HAD NOT INDICATED MUCH RECEPTIVITY AND THAT IT APPEARED TO HIM AEROPERU WOULD HAVE PREFERRED TO START FROM BASIS OF PRESENT OPERATING PERMIT, OR 15 FLIGHTS NORTH AND NINE SOUTH. HE SAID HE THOUGHT THAT REDUCTIONS IN FREQUENCIES HE HAD PROPOSES SHOULD MAKE IT EASIER FOR AEROPERU TO ACCEPT SINCE AEROPERU COULD SAY IT HAD GAINED CONCESSION. KEY POINT, HE THOUGHT, IS ISSUE OF STOPOVER TRAFFIC.

6. COMMENT: WE HAVE NO FEEL AS YET FOR DIRECTION IN WHICH TALKS ARE HEADING. WE FIND "DISAUTHORIZATION" OF FEBRUARY 17 PROPOSAL SURPRISING, PARTICULARLY SINCE IT WAS NOT ONLY HANDED TO AMBASSADOR BY AMBASSADOR ARCE AFTER HE HAD MET ON THE SUBJECT WITH FOREIGN MINISTER BUT ALSO WAS PASSED TO THE DEPARTMENT BY PERUVIAN EMBASSY AND THUS APPEARED TO HAVE OFFICIAL STATUS. HOWEVER, IT IS PROBABLY NOT USEFUL TO PURSUE THIS POINT AT THIS TIME. IT MAY HAVE NO GREATER SIGNIFICANCE THAN EXPRESSION OF PIQUE BY BERCKEMEYER BECAUSE FOREIGN MINISTRY HAD FAILED TO COORDINATE FULLY WITH HIM. ALSO, GOP HAS YET TO RESPOND TO DEPARTMENT'S QUESTIONS. HOWEVER, SOUTH BELIEVES, AND WE AGREE, THAT IT IS PROBABLY BEST NOT TO PRESS FOR RESPONSE NOW, SINCE IF THE WRONG ANSWER IS FORTHCOMING IN WRITING, IT COULD FURTHER REDUCE ANY FLEXIBILITY GOP/AEROPERU MAY HAVE.  
DEAN

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DISPUTES, AIRLINES, NEGOTIATIONS, AIR ROUTE APPLICATIONS, MEETING REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 APR 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LIMA02686  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750114-0471  
**From:** LIMA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750490/aaaaddwn.tel  
**Line Count:** 134  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** STADIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** STADIS  
**Reference:** 75 LIMA 2553  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 02 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <02 SEP 2003 by BoyleJA>; APPROVED <03 SEP 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CIVAIR - DISPUTE WITH PERU - BRANIFF/AEROPERU NEGOTIATIONS  
**TAGS:** EAIR, PE, US, AEROPERU, BRANIFF  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006